

## London Chamber of Commerce and Industry's response to HM Revenue and Customs and HM Treasury's call for evidence on an independent customs regime

### INTRODUCTION

1. London Chamber of Commerce and Industry (LCCI) is the capital's largest independent business advocacy organisation. We represent the interests of firms of all sizes, from micro-businesses and sole traders through to large, multi-national corporates, across all 33 London local authority areas – genuinely reflecting the broad spectrum of London business opinion.
2. As the voice of London business, we seek to promote and enhance the interests of the capital's business community through representations to central government, the Mayor and London Assembly, Parliament and media, as well as international audiences. Through business surveys and commissioned research, LCCI seeks to inform and shape debate on key business issues.

### RESPONSE TO CALL FOR EVIDENCE QUESTIONS

1. What type of business are you? (eg retailer, freight forwarder, fast parcel operator, haulier, etc) and where are you based in the UK? (England, Scotland, Wales, NI, other)  
[London Chamber of Commerce and Industry is a business representative organisation, which offers a customs intermediary service. We are based in London, England.](#)
2. What is the size of your business (eg micro (0 to 9 employees), small (9 to 49 employees), medium (50 to 249 employees), large (over 250 employees)) and, broadly, how many movements do you make per year? If you are a trade representative body, please state your membership size.  
[Medium](#)
3. How long has your business been importing or exporting goods, or supporting traders to import/export if you are an intermediary?  
[Sixteen months](#)
4. If you are a trader, please describe the goods that you trade, the nature of your trade (eg are they imports or exports, or both?) and where do goods move from and to?  
[N/A](#)
5. If you are a trader, do you use the services of one (or more) intermediary? If so, why do you use an intermediary? If you use more than one intermediary, do you use them for different purposes?  
[N/A](#)
6. If you are an intermediary, what services do you offer? Do you envisage any of the services that you offer changing, and if so, why?  
[At LCCI, we offer customs clearance and transit documentation. We also offer export documentation, such as ATA Carnets, Certificates of Origin, etc.](#)
7. Do you use the Simplified Customs Declarations Process SCDP (previously known as CFSP) for importing goods? Before this CfE, were you aware of SCDP (or CFSP)? Have you considered using SCDP for import and discounted it?  
[No](#)

8. Do you use Transit? Before this CfE, were you aware of Transit? Have you considered using Transit and discounted it?

No

9. Are you an authorised consignor, authorised consignee or both?

None of the above

10. In your experience, if you use or have used one or more facilitation (SCDP, Transit or another facilitation), which facilitation offers the greatest benefit? Have you or do you combine the use of more than one facilitation and if so, why and how?

N/A

11. How does using SCDP or Transit help or hinder coordination with other import processes, for instance Safety and Security declarations, or the movement of specific commodity groups with their own enforcement regimes, for example SPS goods?

N/A – not a current user

12. In your experience, do you agree that there is sufficient capacity within the customs intermediary sector? If not, please provide evidence.

N/A

If you are an intermediary:

20. What, if any, are the barriers to you providing a higher quality service? What would remove those barriers?

One of the key barriers we encounter is the constantly changing rules. There is a lack of clear guidance from the Government to brokers and traders. It is also not apparent that there is clear support in place for the transition to the Customs Declaration Service (CDS). The Customs Handling of Import and Export Freight (CHIEF) system, and now the CDS, are also experiencing extended periods of downtime, with CDS proving to be very unreliable at present. Steps should be taken to properly support the transition to the CDS.

Our Trade team have also noticed that online tariff updates and the CHIEF system do not always contain the same information for some types of goods, leading to additional time spent double-checking on our end. Efforts should be made to ensure that the information is consistent.

There is no consistent approach to data management, as different government departments have different systems and therefore the intermediary/haulier may have to lodge data in various systems, which is labour-intensive and time consuming. A single approach to data management will aid intermediaries and hauliers in their work, without having to input data into different systems.

We also have concerns that community service providers (CSPs) have been able to monopolise certain ports and charge large fees. Badges are prohibitively expensive, which is preventing competition.

21. Have you seen evidence of poor-quality services being provided in the market? Please provide details to explain your answer.

In our experience we have noticed poor-quality services being offered. Systems are not always up-to-date and different individuals in the chain provide differing/conflicting information. We have also noticed many misinterpretations of rules, or what may even be a complete lack of understanding of the correct application of the rules.

Government agencies refer individuals to the gov.co.uk website as they are unable or unwilling to provide definitive guidance and users out of frustration contact the local chambers for assistance.

22. Are there any barriers that prevent customs intermediaries from innovating? What would remove those barriers? Where do you see the greatest scope for innovation?  
Innovation requires stability in information output and support. Constantly changing rules therefore are problematic as the intermediaries are catching up as opposed to innovating.  
  
One of the key steps to supporting innovation would be to minimise the disruption and put in place a set of rules which will not be changed frequently. This will intermediaries the time to find the best and most innovative ways of working.
23. Are there international examples that you would like to draw to our attention and which you would want to see applied or not applied to the UK market? If so, why?  
N/A
24. Do you think there is a good level of awareness of SCDP (or under its old acronym, CFSP) amongst those traders that could benefit from it? Please explain your answer.  
No comment as not actively dealing with SCDP/CFSP sector.
25. If you use SCDP, please explain its value, providing evidence if possible. If you do not use SCDP, please explain why.  
We deal with small and medium companies that would not benefit from SCDP.
26. Whether or not you use SCDP already, what changes would you want to see to make it more attractive?  
N/A
27. Do you have suggestions for changes to the [SCDP authorisation requirements](#)? Please explain how your proposals would provide assurance of an applicant's suitability and enable HMRC to conduct compliance activity.  
N/A
28. If you are not authorised, does the SCDP authorisation process deter you from accessing SCDP? If so, how could this barrier be reduced?  
N/A
29. If you are familiar with Simplified Declaration Procedure and EIDR, which do you prefer to use? Why is this? Are they beneficial in different instances?  
Our experience of EIDR is that it is very accessible. However, the reverse of this advantage is that it can lead to loss of information and delays in actually submitting full entry to CHIEF. A large number of small/medium sized business are therefore non-compliant. We do not have any notable experience with the SDP.
30. Is keeping information in your records (EIDR) just as burdensome as submitting it to customs? Would allowing more information to be kept in traders' records, rather than being submitted, provide any benefit to you? Please provide examples where possible.  
For small businesses, EIDR doesn't offer any real advantage over doing a full entry as they now have access to postponed VAT.  
There are advantages for large businesses or those that have a thoroughly organised compliance structure/teams in place.

31. SCDP should enable goods to pass through ports more quickly compared to goods moved with a full customs import declaration. If you have used SCDP, has this been your experience? Does this vary for the Simplified Declaration Procedure compared to EIDR, or by different port systems?

*Our impression is that it is only beneficial for large volume importers.*

32. When using EIDR, businesses use a C21 form to clear goods through inventory-linked ports and an Economic Operator Registration Identification (EORI) number at GVMS ports. If you are familiar with these processes, do you have a preferred approach? Please provide any evidenced feedback or suggested improvements for each process.

*No preference as currently not using CFSP.*

For all users of Transit:

43. If you use Transit, what are the benefits of using Transit for your business? Please provide details.

*N/A as not traders*

57. Are there additional easements or process changes we could introduce to increase the take up of authorised consignors/consignees?

*Challenges faced are knowing how to look for the information and having an understanding of the benefits of having this process i.e. "Lost in translation".*

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*Submitted on behalf of LCCI by*

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